

# Moving Forward

Mobility, multichannel integration and social media among major themes at NRF Show

By Deena M. Amato-McCoy

Still celebrating its first banner holiday season in three years, retailers attended the National Retail Federation's 100th Annual Convention & EXPO to learn how to continue generating sales and regain their footholds in the marketplace.

The event, known throughout the industry as "Retail's BIG Show," set up shop at the Jacob K. Javits Center, in New York City, Jan. 9-12, 2011. An estimated 21,000 domestic and international attendees, comprised of retail executives, vendors and consultants, attended the conference and took advantage of a strong educational agenda, as well as interacted among approximately 500 vendors on the show's EXPO floor.

In 2009 and again in 2010, a majority of the speakers at the show addressed their remarks to helping retailers create a successful game plan for navigating a very tough economy. While retailers and analysts are



## DOMINANT THEMES

- Mobility
- Demand forecasting
- Multichannel integration
- Social media
- Business analytics

Attendance was up and so was the mood at the annual NRF show.

still somewhat cautious regarding the nation's economic outlook, the mood at this year's show was much more positive and enthusiastic than in recent years. And attendees took the show's theme, "How far we've come, how far you'll go," to heart. Based on the buzz throughout the convention center, attendees were clearly

ready to transition from their previous survival mind-sets into one based on longevity.

Industry executives openly discussed how they

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# BIG Show Wrap-up

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are positioning their companies for the economic comeback. For some chains, that includes focusing on the talent of associates. Fort Worth, Texas-based Pier 1 Imports, for example, turned to its associates to ensure it continued to deliver top-notch customer service, even in a difficult retailing environment.

“It all starts with the talent,” Sharon Leite, the chain’s executive VP stores, reported during the convention. “We had to continually make sure that our associates were really connecting with our customers.”

Chains also emphasized the power that technology will play in these comeback stories. And based on the information shared in sessions and on the EXPO floor, project ideas are endless. The top areas of interest at the show included mobile commerce, multichannel integration, business analytics, demand forecasting and social media.

The good news is more new projects will soon be underway across these categories as global enterprise information technology spending is expected to increase 3% this year, the equivalent of \$2.5 trillion, according to Gartner, Stamford, Conn.

With so many opportunities being highlighted under one roof, the only way for retailers to navigate the show and stay true to their business goals was to answer three simple questions: What are the top solutions that will respond to our business needs, keep us successful in the long term, and still

## Exclusive interview with Microsoft



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provide a good return on investment?

“It is all about making hard decisions that will drive business more effectively,” said Jeff Roster, VP research for Gartner. “There is too much on the line in this economy not to look at how these ideas impact business going forward.” ●

## Positive Outlook

Moody’s chief economist and co-founder Mark Zandi expressed optimism about the economy during the NRF show’s super session, “Retail’s Road to Recovery: Status Report on the Global Economy.”

“The economic statistics are looking measurably better,” Zandi said. “Christmas was good, and even very good. I think 5% to 6% nominal core retail sales growth is good performance, particularly in the context of the last several very lean years. We’re making progress.”

Zandi cited several reasons to be upbeat, including an improving job market, increased availability of credit and the recent tax cut extension.

“I think after three very lean years — a year and a half of recession and a year and a half of very weak economic recovery — 2011, 2012 and 2013 are going to be very good years,” he noted.

Zandi did sound a note of caution.

“We’ve got a very large hole to dig ourselves out of. It is going to take years to get back to full employment, but I think we’re on our way.”

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## Customer News Briefs

### Charming Charlie implements Kronos WFM solution

Fashion accessories retailer Charming Charlie has selected Kronos' end-to-end workforce management solution to sustain growth, increase productivity and improve employee retention. The fast-growing retailer selected Kronos' time and attendance, forecasting and scheduling, hiring, labor analytics and human resources and payroll applications.

"Kronos will help us achieve the right blend of effective hiring, scheduling and trend analysis to maximize sales," said Ron Batts, director of store operations for Charming Charlie, Houston, which operates 96 stores. "Through improved efficiencies and profitability with Kronos, we will be able to make additional investments in store operations to enhance the in-store customer experience. By selecting one vendor that can meet all our workforce management needs, we are also eliminating multiple integration headaches and streamlining critical processes."

The Kronos solution will enable Charming Charlie to hire effectively by helping select candidates best suited for selling in their retail environment.

### NCR helps BevMo! enhance point-of-sale operations

Beverages & More, which operates 109 stores under the BevMo!

banner, has launched a next-generation technology initiative based around NRF/ARTS (Association for Retail Technology Standards) standards, coupled with cloud computing and high-performance technology and service providers that include NCR Corp., Verifone, Retail Anywhere, Trevarian and Anametrix. The initiative (called "ItsMo!" internally) allows for rapid design, adoption and deployment of new technologies.

The specialty retailer is implementing the technologies

to enhance the customer experience and provide management with a 360-degree view of operations anywhere and anytime.

Under the plan, BevMo! will use a combination of hardware, software and services from NCR to enhance point-of-sale operations.



Merchandise planning applications provide Harrods, above, with detailed forecasts. BevMo!, left, has introduced a new technology initiative to improve point-of-sale operations.

### Harrods taps Predictix for merchandise planning

Harrods is implementing a series of merchandise planning applications from Predictix. The software is being rolled out for Harrods' famed London department store, as well as its airport locations and online site.

Harrods recognized a need to upgrade its current planning system to allow for more in-depth and more efficient forecasting processes.

"The Predictix application was very flexible in presenting information to the users, and it provided detailed forecasts by season and merchandise class, with far more measures than before," said Rupert Symes, merchandise director, Harrods. In addition, the Predictix cloud-delivered model — with no hardware or software to buy and no long-term commitments — proved compelling for Harrods.

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# BIG Show Wrap-up



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## **Giant Eagle selects Galleria for behavioral cluster planning**

Giant Eagle will deploy the Galleria Behavioral Cluster Planning solution, which provides consumer insight and analysis by clustering Giant Eagle's stores based on product and category performance. The supermarket retailer already

uses Galleria's Customer-Centric Merchandising and Promotional Display Optimization solutions, and it plans to roll out the Behavioral Cluster Planning solution this year.

## **Cabela's improves mobile with Digby**

Cabela's announced the launch of an optimized mobile *continued on page 5*

## New Products

### **Microsoft<sup>®</sup>**

Microsoft Corp. announced that the next iteration of Microsoft Dynamics AX for Retail — Microsoft Dynamics AX for Retail R2 — will be available in more than 50 countries starting Feb. 1, 2011.

Microsoft Dynamics AX for Retail offers midsize and enterprise specialty retailers point-of-sale, store management, supply chain, merchandising and financials capabilities to deliver business productivity and customer service in a single, integrated solution. Microsoft Dynamics AX for Retail R2 includes the following enhancements:

- **Insight.** Retail Role Centers mean key data can be surfaced quickly and easily, helping people make more informed decisions and be productive.
- **Loyalty.** Expanded scenarios and centralized management out of the box help retailers enhance the customer experience.
- **Simplicity.** New interfaces for assortment and item management speed workflows and help drive productivity.
- **Global availability.** New localizations and translations further support the needs of multinational and growing organizations.

[microsoft.com/dynamics/retailsolutions](http://microsoft.com/dynamics/retailsolutions)

### **FUJITSU**

Fujitsu unveiled a new checkout technology designed to significantly reduce checkout times, improve customer experience and reduce operational costs for retailers. The Kroger Co. is currently evaluating the new technology, called the Advantage Checkout System, in a limited number of its stores.

The new system revolutionizes the front-end customer checkout experience by providing the customer with a choice of high-touch concierge level of full service or a fast and accurate self-checkout experience. It enables the recognition and differentiation of stacked items and/or side-by-side items even if bar codes are hidden.

[fujitsu.com](http://fujitsu.com)

### **NCR**

NCR Corp. launched a new consumer preference management solution, the NCR Enterprise Preference Manager. The software enables retailers to provide an online portal through their websites for customers to manage their shopping experience based upon their declared preferences and presence in a retailer's channels.

Consumers can select from a variety of preferences, including how they receive communications; when, where and how they get offers; and many others. For example, they could indicate they like to receive communications via text message, in Spanish, and want digital receipts. The NCR Enterprise Preference Manager enables retailers to respond to the consumer's declared preferences and dynamically adapt to their needs through synchronized, multiple channels (kiosks, point-of-sale terminals, Web and mobile devices.)

[ncr.com](http://ncr.com)



### **Junction Solutions**

Junction Solutions, a provider of vertical market-specific software applications and services, has debuted an end-to-end, cross-channel technology strategy and solutions set. Leveraging the full advantages of the Microsoft Dynamics AX platform, the Junction Solutions' cross-channel retail (XCR) solutions set supports a customer-centric approach to the buying process by aggregating critical data across the Web, mobile, store, call center and catalog/direct sales channels and presents it in real time to every retail employee involved in the purchase and fulfillment process.

[junctionsolutions.com](http://junctionsolutions.com)



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website through mobile-commerce provider Digby. Through Digby's mobile-commerce software platform, Cabela's is enabling mobile as a strategic channel that complements its e-commerce website, catalogs and products sold in more than 30 stores in the United States and Canada.

Cabela's optimized mobile experience will allow customers to easily search and purchase items when they visit cabelas.com on an array of popular mobile devices. Key features of the new mobile website

orders in all five of its locations. By installing an intelligent label interface into the Epson ReStick printer, Friendly's Express was able to configure its point-of-sale (POS) systems to print individual item labels for only its carryout orders.

In addition, Friendly's Express is using the same solution to print individual order labels for sundaes. After the order is placed at the counter, it is printed and affixed to the sundae container, which greatly increases the efficiency of order preparation and accuracy. The Epson TM-T88 ReStick thermal printer with MAXStick liner-free labels

has improved order accuracy dramatically, as well as streamlined Friendly's Express carry-out workflow.

Using MAXStick liner-free, biodegradable and recyclable labels with the Epson TM-T88 ReStick, Friendly's Express is able to apply, remove or reposition labels as needed. Since the labels are liner-free, there is no liner backing left behind, which can be a safety hazard and/or clutter up the work space.

### Agilence to provide Rite Aid with POS video auditing software and services

Rite Aid will deploy the Hawkeye POS video auditing software and professional auditing services from Agilence at nearly 600 of its stores.

"The Agilence software nicely complements our existing loss prevention initiatives," said Robert Oberosler, group VP Rite Aid. "With Agilence, we'll be able to better analyze and react to point-of-sale losses."

The video auditing solution enables retailers to efficiently identify losses that occur at the

point-of-sale. The software pulls data directly from the POS system and marries that data with video in real time. Each individual item scan and key punching that occurs in a transaction is linked to its associated video image and is provided to retailers, who can then analyze the transaction to gain additional details. ●



Rite Aid, above, uses a video auditing solution to identify point-of-sale losses. Order accuracy improved at Friendly's Express, right, with a thermal printer.

include: rich product photographs, complete product descriptions, customer-submitted product reviews, shop by category, shop by brand, store locator, e-mail and a complete site search.

### Friendly's Express uses Epson's thermal printer to improve order accuracy

Epson America announced that Friendly's Express, a new fast-casual concept from Friendly Restaurant Corp., is using Epson's TM-T88 ReStick thermal printer with MAXStick liner-free, biodegradable and recyclable labels to identify





# Mobile Takes Center Stage

## Mobility and analytics in the spotlight

By Deena M. Amato-McCoy

Mobile commerce was a dominant theme at the National Retail Federation's 100th Annual Convention & EXPO and the focus of several sessions.

At the "Marketing to the Mobile Shopper" session, William Rosen, president and chief creative officer – North America, Arc Worldwide (the marketing services division of Leo Burnett), noted that growth in the mobile channel is being driven by increased use of smart phones.

"According to Nielsen, by the 2011 holiday season, 50% of the U.S. population will have smart phones," Rosen said.

To learn more about the how and why of mobile commerce, Arc Worldwide commissioned a study. Among the key findings: Mobile shoppers are not all alike.

"Unfortunately for marketers looking for the single silver bullet, there's no really single mobile shopper," Rosen said.

According to the study, a very small group of consumers are actually driving the majority of mobile shopping. That group, which represents only about 10% of all mobile shoppers, generate 10 times more shopping than "light users." These heavy users tend to be relatively young, affluent and male.

The scenario is likely to change going forward, however, with growth in the future coming almost entirely from light users, according to Rosen.

Another speaker at the session, Arunabh Das Sharma, senior director, Whirlpool Corporation Ad Center, told the audience that the idea of the one traditional path to purchase is dead. Instead, there are many different paths available.

"People plan and shop differently, and mobile is pushing this even further," Sharma said. "Mobile

shopping is spontaneous, fluid and iterative."

According to Sharma, people are shopping in ways and places they never did before.

"The shoppers' journey isn't as predictable, linear or straightforward as it used to be," he said.

The speakers agreed that retailers and manufacturers will need to work closely together in the future to create the resources and opportunities that will enable mobile shopping to realize its full potential.

Several retailers at the show detailed how they are using mobile technology. Target Corp. revealed it is testing the Shopkick app, which lets users check in and receive special offers based on their location in the store, in a handful of locations. Macy's and Best Buy also use the app. ●

## Survey: Mobile Commerce on the Rise

The use of mobile phones in retail is increasing dramatically, according to a survey released at the National Retail Federation's Annual Convention & EXPO in New York City. The study, conducted by ForeSee Results and entitled "Explosion in Mobile Retail Provides Huge Opportunity for Retailers," found that shoppers are using mobile phones to access websites and apps more than ever before. The results indicate that "any retailer who is not wholeheartedly embracing the mobile trend is leaving money on the table for competitors," said Kevin Ertell, VP retail strategy, ForeSee Results.

In the study, 33% of all respondents indicated that they had accessed a retailer's website using a mobile phone (compared with 24% in 2009), and an additional 26% indicate that they plan to use their mobile phone to visit a company's website, mobile website or mobile application in the future.

"In other words, more than half of all online shoppers are either already using or plan to use their phones for retail purposes," Ertell said. "This finding indicates a huge opportunity for retailers with sophisticated, user-centric mobile sites and apps."

### Other key findings include:

- **Mobile purchase behavior is exploding.** A total of 11% of Web shoppers reported having made a purchase from their phones this holiday season, compared with only 2% at this time last year.
- **Shoppers use their phones for a variety of tasks.** The majority of shoppers who used their phones did so to compare price information (56%). Shoppers also used their phones to compare different products (46%), to look up product specifications (35%) and to view product reviews (27%).
- **Shoppers use their phones to look at competitor websites.** While in physical stores, more than two-thirds of mobile shoppers (69%) used their phones to visit the store's own website, but nearly half (46%) also used their phones to access a competitor's website.
- **Traditional websites satisfy shoppers more than mobile sites and apps.** In general, shoppers rate their satisfaction with retail websites significantly higher (78 on the study's 100-point scale) than their satisfaction with mobile experiences (apps and sites) (75).



# Global Retailing

## Bigger is not always better

By Marianne Wilson

More than one-third of the world's 250 largest retailers suffered a decline in sales in fiscal 2009 (encompasses June 2009 through June 2010), according to the Global Powers of Retailing 2011 report, whose results were revealed at the National Retail Federation's Annual Convention & EXPO in New York City. The annual report, from Deloitte Touche Tohmatsu Limited, identifies the largest 250 retailers around the world and provides an outlook for the global economy.

Retailing worldwide in fiscal 2009 generated \$15 trillion in sales, with the largest 250 chains accounting for \$3.76 trillion of the total volume, down from \$3.82 trillion in 2008, giving them a 25% share of global retail sales (\$15 trillion).

"Those figures signify how important retail activity is — its significance can't be overstated," said Richard Hyman, strategic adviser, consumer business, Deloitte, in a presentation at the NRF show.

Hyman noted that the 250 largest retailers in the world have been losing share of total retail sales since 2003, when they garnered 27.4% of total global sales. His message: Big is still beautiful, but it's getting less attractive.

"These retailers have massive scale advantages, but they are losing share," he said. "It appears scale may be a bit less important advantage going forward. Retailers who relied on superior scale for their competitive advantage may have to think about adding a few more ingredients to their strategic armor."

According to the Deloitte report, going global is not a surefire strategy for sustainable growth.

The world's 10 largest retailers, led by Wal-Mart Stores, saw their share of total Top 250 sales slip in fiscal 2009, and their composite sales growth was stagnant at 0.2%.

"The top 10 fared less well than the total group of 250," Hyman said.

But while sales for the global power players were down, profitability showed a marked improvement in fiscal 2009 as retailers tightened their belts.

"Costs have been very well managed, which has improved margins," Hyman explained. "In fact, the top

250 composite net profit margin rose to 3.1% in 2009 from 2.4% in 2008. But continuing to keep a lid on costs going forward will be a major challenge for retailers."

The report also included analysis of the Q ratio of publicly traded companies on the Top 250 list. The Q ratio is the ratio of a publicly traded company's market capitalization to the value of its tangible assets. The higher the Q ratio, the greater the share of a company's value that stems from such intangibles. The composite Q ratio for the top 250 retailers is 1.144. By comparison, Swedish fast-fashion retailer Hennes & Mauritz (H&M) had the highest Q ratio in fiscal 2009, with a 7.852 score, followed by Turkish discounter BIM (7.475), Coach (6.803), Amazon (5.760) and Apple/Apple Stores (5.362).

"It's a tremendous testament to the strength of these retailers that they have received such a high rating in this added value metric," Hyman said.

**FUTURE GROWTH:** Hyman noted that retail consultancy Planet Retail has forecast sales growth of \$6 trillion during 2011 to 2014, with the majority — 66.2% — of the growth coming from developing/emerging markets.

"The growth in developed markets has peaked," Hyman explained. "There are too many retail mouths to feed, and too much capacity in most developed markets, which has led to a lower returns from floor space. The global prize is in developing markets."

Hyman said that solid and effective local partnerships are key to doing well globally.

"Local knowledge and local credentials are increasing important," he added. ●

## Quick Stats for Top 250

- \$3.76 trillion — aggregate sales of Top 250 retailers
- \$15.05 billion — average size of Top 250 retailers
- 1.3% — composite year-over-year retail sales growth
- 6.1% — 2004-2009 composite compound annual growth rate in retail sales
- 3.1% — composite net profit margin
- 4.9% — composite return on assets

Source: Global Powers of Retailing



## Fine-tuning Operations

Pier 1 hones its focus on the customer

By Katherine Field

The National Retail Federation's 100th annual Convention & EXPO drew more than its share of global operations executives, and most appeared trained on amping up customer service initiatives. A downturn that narrowed resources and called most retail operating models into question has, in turn, allowed more progressive operators to re-evaluate priorities and draw up workable plans that don't restrict customer service.

"We have had to evaluate what is most important to our

"It all starts with the talent," Leite explained. "We had to make sure the people in our stores really connected with our customers."

Pier 1 put customer feedback mechanisms in place in order to close the gap between what the retailer thought the customer expected, versus what the customer was really expecting. It examined areas of the business that could be fine-tuned to ensure that the customer had a positive experience. It also installed traffic counters to more effectively schedule personnel and drive conversion rates. And it deep-dived into data and listened to store-level feedback.

"When you can combine internal feedback with customer feedback, you can better ensure that you are delivering a service experience that is on point," Leite explained.

According to Leite, the holiday 2010 shopping season was the chain's most successful in terms of the customer experience it provided in its stores. This year, Pier 1 plans to continue its focus on top-notch service through top-notch employees. The retailer is in test mode with a Web-based pre-employment screening tool designed to qualify staff and widen the employee net.

"The interview questions are mostly competency-based, and we have found that we are hiring people whom we may not have hired in the past because they didn't have direct retail experience," Leite said. "And yet these new hires have ended up being some of the best associates we've ever had."

Pier 1 is investing in other technologies, such as a new POS system to replace the existing 20-year-old system, to help continue to drive costs down. And real estate is a major focus for 2011. The retailer, like many, worked with landlords during the downturn to renegotiate stores leases and shutter stores when necessary. Now that it is coming out the other side of the recession, the chain continues to monitor its portfolio and make adjustments — whether upping existing leases, relocating stores, remodeling or closing as required. And it battles the ongoing influx of the competitive big boxes by ensuring that it continues to ramp up its service offerings.

"As an executive in a retail organization, you have to understand where you want to go," Leite said. "You can't change your mind from quarter to quarter or year to year. We used to do that at Pier 1, and it impeded our progress. Setting our path, and then remaining true to it, was critical to us." ●



Pier 1 Imports is testing a pre-employment screening tool.

customers," said Sharon Leite, executive VP stores for Fort Worth, Texas-based Pier 1 Imports, during the NRF session, "What Operations Executives Need and Want."

What Pier 1 found during the recession was that its customers wanted more value, but with the same levels of service, which required serious streamlining.

"Anything that didn't add value was eliminated," Leite said.

The chain pared back its demands on field personnel, and reduced part-time employee numbers. It strengthened vendor relationships and internal partnerships to fortify the field. And it added discipline to supply chain in order to get product to the floor faster, more efficiently and with fewer touches.

But most key to its ability to make reductions and streamline operations without negatively impacting customer service were the associates themselves.





# Winning Game Plan for 2011

## Driving profitability will require shopper-centric strategy

By Katherine Field

In 2010, retail survival was about controlling the controllable. But in 2011, as spending starts to loosen in the face of a brightening economy, retailers have a lot more to look forward to, according to Natalie Berg, global research director for Planet Retail, London.

At the NRF session, “Power Players in Focus: How to Be a Retail Winner,” Berg said that to be successful in 2011, retailers need to do the following;

- Focus on core assets and drivers of profitability;
- Aim for a targeted globalization approach;
- Leverage multichannel, with both e-commerce and brick-and-mortar stores working in concert; and
- Put shoppers at the core.

“A shopper-centric strategy will be crucial in 2011,” Berg said.

A number of winning retailers, according to Berg, have altered their global growth strategies toward a more “sure bet” tact, only entering new global markets in which they see the opportunity to assume the No. 1 or No. 2 position in the marketplace.

Also critical to success among the power players is a honed focus on the customer.

“A shopper-centric strategy will be crucial in 2011,” Berg added.

What do shoppers want this year? They will be looking for value, a sense of discovery as their spending becomes meaningful and targeted, and they will want to consume on their own terms – which means that retailers will have to offer products that meet consumers’ needs on their terms in order to succeed.

According to Berg, a good example of a company that has added discovery to its mix is Carrefour, which is trying to reinvent its hypermarket concept with a weighty use of in-store technology and added services such as child care and hair care.

Partnering with specialists will be a top success strategy in 2011. Carrefour

and Virgin Records have entered into a global partnership in which Carrefour has expanded its music offerings via Virgin Records’ shop-within-shops. And J.C. Penney, since its 2006 debut of Sephora locations inside the department store chain, has integrated the cosmetics retailer into more than 150 J.C. Penney stores across the United States. The in-store Sephora shops measure about 1,500 sq. ft. each and feature the cosmetic retailer’s signature look and beauty assortment.

Berg also cited the example of Sears’ recent announcement that it would introduce a 40,000-sq.-ft. Forever 21 store inside the retailer’s Costa Mesa, Calif., location. Sears hopes the move will drive more traffic into the department store.

The premier of the Costa Mesa shop is slated for spring 2011, and is predicted to not only provide Sears with needed rental revenue and traffic but also add some significant buzz.

Besides adding partnerships, Berg advised retailers to “use technology to capitalize on frugality through new formats and innovative promotions.” Apps like Shopkick are engaging customers, and promotions such as Facebook’s “groupon” are innovative ways to grab interest and generate sales, she explained.

“Multichannel is the way forward,” Berg said. “And retailers will have to strike a balance between value and discovery.” ●

## AEON: Expanding Global Player

Japan’s Aeon operates in 10 countries, with more than 12,000 stores and 300,000 associates. And though growth was slowed by the recession, the operator of large-scale general merchandise stores — plus a myriad of other retail formats — is positioning itself for expansion, according to Jerry Black, VP and an executive officer with Aeon Co. During the “Power Players in Focus: How to Be a Retail Winner,” session, Black discussed the company’s growth plan. It calls for:

- Entering new businesses;
- Capitalizing on the Southeast Asian markets and China growth;
- Improving productivity in both space and labor;
- Developing and promoting women; and
- Diversifying its workforce.

A plan the company calls its “Metropolitan Program” has the retailer shifting to smaller format stores in urban environments.

“Our plans are working, as operating income has increased and we are projected to double the number of associates to 600,000 over the next 10 years,” Black said.

## Embracing Dynamic Business

Focus on customer-centricity and seamless channel experiences are key

By Laura Klepacki

Successful retailers of the future will be those that embrace the concept of “dynamic business,” said Kirill Tatarinov, corporate VP, Microsoft Business Solutions, Microsoft, speaking at the National Retail Federation’s 100th Annual Convention & EXPO in New York City.

A dynamic business is one whose operations are seamlessly connected, that thoroughly understands its customers’ preferences, and maximizes the productivity of its people, according to Tatarinov, who addressed attendees at the NRF super session “Making the Retail Business Dynamic.”

“To become a dynamic business,” Tatarinov told attendees, “companies must put themselves in a position to meet trends and adopt new practices before consumers start demanding it.” At present, Tatarinov observed, “consumers are moving faster than the retailers.”

One trait that dynamic businesses share, according to Tatarinov, is a focus on driving the productivity of their staff by giving them access to the technology that will keep them in step with their customers. He discussed how venerable New York metro-area retailer J&R Electronics stays customer-centric by partnering with Microsoft to keep its customer data up to date and available to staff both online and in the stores.

Tatarinov offered the following best practices for making businesses dynamic:

\*Provide Shoppers a Connected Retail Experience: Whether online, in-store or via mobile device, retailers should present a singular “point of truth” to the



Microsoft’s Kirill Tatarinov was a featured speaker at the NRF show.

At present, **consumers** are **moving faster** than **retailers**.

\*Focus on Customer-Centricity or “Clienteling” Programs: Research customer information, including birthdays and shopping preferences, in order to be able to cater to desires. In the past, it was a hallmark of boutiques.

customer with seamless execution.

\*Be Adaptable: Ensure business processes and systems are able to be modified quickly to meet changing economic and consumer demands.

\*Loyalty Management: Monitor and manage loyalty programs to encourage the best shopping behaviors from good customers.

\*Direct Marketing Optimization: Assess marketing program effectiveness, whether online, mobile or in-store, to determine what works and doesn’t work

for your company.

\*Maximize Worker Productivity: Provide a connected retail experience between stores and headquarters to ensure associates have timely access to sales, promotional and inventory information to better service customers. ●

## Greening of North America

How the U.S. and Canada stack up toward sustainability

By Katherine Field

Siblings tend to learn from each other, and the United States and sister country Canada are no exception. Both have made huge strides toward retail sustainability, and each still has plenty of room for continued green growth.

But, while there are some differences between them, the United States and Canada are fairly similar on the sustainability front.

“Stewardship is key,” said Larry Jensen, executive VP, director of client relationships for Atlanta-based Jones Lang LaSalle Retail, at the National Retail Federation’s 100th Annual Convention & EXPO. Jensen was one of the featured speakers at the “Sustainability in North America: Comparing and Contrasting Sustainability in the United States and Canada.”

According to Jensen, sustainability had gained great momentum in both the United States and Canada until the recession hit, at which point “everyone went into survivor mode and forgot there were products out there that were both sustainable and money-saving,” he said. With the recession over, the retail industries in both countries can “get back to the business of being green,” Jensen added.

All the panelists agreed that continuing the retail sustainability momentum will require collaboration among retailers, vendor partners and customers, as well as a focus on innovation. Home Depot Canada will test a new lighting product — LumiSmart — in 2011, designed for increased energy efficiency. The chain is also focusing on education.

“In the home improvement business, we look for ways to educate our customers about how to reduce energy costs at home in order to incorporate sustainability at the most basic level — on the home front,” said Gino DiGiacchino, VP merchandising for Home Depot Canada.

Another panelist, Diane Brisebois, president and CEO of the Retail Council of Canada, said that she believes businesses need as much education as customers.

“There is plenty of research in Canada that consumers feel businesses need to be more educated about sustainability,” she added.

According to Brisebois, businesses need to just “figure it out and create and sell sustainable, user-friendly products that are also cost-effective.”

Crate & Barrel, an active green participant, places its focus on both the customer and the businesses. According to John Ling, executive VP global operations and supply chain management for the chain, the



The Home Depot is looking to educate consumers in reducing energy costs.

relationship between retailer and customer “must have mutual expectations and mutual knowledge.”

All panelists agreed that alignment both between retailer and customer, and between countries, is key to sustainability success. It is imperative, they said, that the United States and Canada develop a standard approach to being green and not make it a competitive advantage among competing retailers. ●